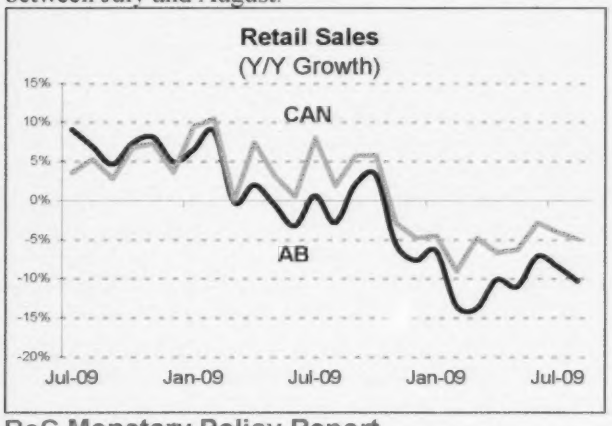
Retail Sales

Alberta sees slight decline in sales…

Alberta was one of just two provinces to see retail sales decline in August, with sales down 0.2% (seasonally adjusted) from July. This decline was smaller than the 1.1% drop recorded in July. However, year-to-date, retail sales in Alberta are down 10.1% (unadjusted).

Nationwide, retail sales increased by 0.8% (seasonally adjusted) in August with only Newfoundland (-0.9%) and Alberta seeing declines. However, excluding sales at gas stations and new car dealers, retail sales were flat between July and August.



BoC Monetary Policy Report

Interest rate remains unchanged, but strong dollar poses risk to recovery…

The Bank of Canada left interest rates unchanged at 0.25% in this week's announcement and restated its conditional commitment to hold the rate steady until the end of June 2010.

In its latest Monetary Policy Report, the BoC noted that economic growth is resuming but still remains fragile. The volatility and strength of the Canadian dollar has counteracted much of the growth since July and poses a significant risk to economic recovery.

After contracting by 2.4% this year, the BoC is projecting that the economy will grow by 3.0% in 2009 and 3.3% in 2011. Inflation is not expected to return to its 2% target level until the third quarter of 2011.

Exchange Rate

Loonie lowered by BoC announcement…

While the BoC interest rate announcement pushed the Canadian dollar down from the 14-month high it reached on October 14th, the loonie is still trading nearly 5% higher than it was on September 1st and more than 20% higher than April 1st.

Canadian Dollar (US¢/CS)	
October 23, 2009	95.17
October 16, 2009	96.26
2009-10 YTD	89.25
WTI Oil US$/bbl	
October 22, 2009	$81.19
October 15, 2009	$77.58
2009-10 YTD	$65.24
Nymex Natural Gas C$/MMBtu *	
Near-month Contract	
October 23, 2009	$5.13
October 16, 2009	$4.93

* Estimate based on Nymex Futures Market Price

Farm Product Price Index

Prices continue to decline…

Prices for Alberta farmers were 3.9% lower in August. This became the fourth consecutive monthly decline. Livestock prices fell for the fourth straight month (-3.8%) while crop prices suffered their largest monthly decline (-5.6%) since September 2008.

Wholesale Trade

Alberta sees tenth consecutive monthly decline…

Alberta's wholesale activity continued to weaken in August. The 1.4% (seasonally adjusted) monthly fall was tenth consecutive month of declining activity and the biggest drop in three months. Falling sales in the machinery and electronic equipment sector was the main source of the decline with lower prices also playing a factor.

International C$ Securities Transactions

Canadians continue to move out of US gov't debt…

In August, Canadian holdings of forigen debt fell to their lowest level in 2009 as Canadians continued moving away from long-term US government debt towards two-year US government bonds and the equity markets.

Canadian's net holdings declined by $112 million in August while non-residents added $5.1 billion of Canadian securities to their portfolios. A large inflow that has added fuel to the loonie's recent upwards flight.

Alberta

CURRENT ECONOMIC INDICATORS

Overall Economy	2007	2008	2009YTD*	Apr	May	Jun	Jul	Aug	Sep
Real GDP (in 2002 $billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,513	3,596	3,688	3,666		--	3,688	--	--
% change	2.7	2.4	2.6	2.8	--	--	2.6	--	--
Net Interprovincial Migraton[1] (level)	33,809	15,317	23,006	7,144	--	--	4,737	--	--
Net International Migration[1] (level)	16,372	20,039	20,074	4,416	--	--	6,089	--	--
Net Non-permanent Residents[1] (level)	14,105	18,536	19,058	4,380		--	2,594	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,993	1,993	1,994	1,990	1,986	1,979	1,982
% change	4.7	2.8	-0.9	-0.9	-1.1	-1.6	-1.6	-1.6	-1.9
Unemployment Rate (%)	3.5	3.6	6.3	6.0	6.6	6.8	7.2	7.4	7.1
Average Hourly Wage Rate	6.0	5.7	4.9	4.3	5.0	6.1	4.6	5.9	3.7
Average Weekly Earnings[2]	5.8	6.0	4.4	2.1	4.9	3.4	4.0	--	--
Labour Income[3]	10.5	8.7	3.1	1.9	2.4	1.2	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.3	-0.7	-0.7	-1.6	-1.5	-1.7	-1.1
Excluding food and energy	5.0	2.1	1.5	1.1	1.7	1.6	1.4	1.3	1.4
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	-6.3	--	--	-11.3	--	--	--
Farm Product Price Index NEW!	15.1	11.2	-9.4	-4.4	-8.6	-16.2	-16.6	-17.6	--
Crops NEW!	434.0	26.2	-23.1	-22.2	-25.5	-29.0	-26.6	-25.4	--
Livestock NEW!	0.6	2.3	2.5	12.6	0.6	-5.6	-9.7	-14.6	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	16.7	14.2	14.2	20.0	19.1	19.9	22.4
% change	-2.1	-39.7	-46.8	-53.3	-55.6	-12.7	-32.7	-14.6	-7.1
New Housing Price Index	22.5	0.7	-9.6	-10.7	-9.8	-9.8	-9.3	-8.9	--
Edmonton	32.1	1.0	-11.7	-12.5	-11.7	-11.7	-11.1	-11.4	--
Calgary	16.2	0.6	-7.6	-8.8	-7.9	-8.0	-7.3	-6.3	--
MLS Average Resale Prices NEW!	24.3	-1.4	-5.4	-6.8	-5.8	-4.6	-2.4	0.2	1.3
Edmonton	34.3	-2.0	-5.0	-7.4	-4.2	-3.8	-3.1	-3.3	0.7
Calgary	18.7	-2.9	-7.1	-10.1	-8.7	-6.3	-5.2	-0.4	1.1
Retail Sales NEW!	9.3	-0.1	-10.1	-10.1	-11.0	-7.2	-8.4	-10.3	--
New Motor Vehicle Sales	3.3	-7.3	-25.4	-24.4	-27.8	-22.2	-18.6	-20.6	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-50.7	-42.0	-39.2	-56.3	-66.2	-62.7	-54.1
Goods Exports (customs based)	5.3	34.3	-39.6	-43.6	-50.2	-37.1	-46.7	-42.9	--
Energy	4.4	42.5	-45.6	-52.8	-58.7	-40.9	-51.8	-45.6	--
Agriculture	9.8	27.8	0.5	9.8	-13.7	4.4	-4.1	-7.5	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	-3.5	--	--	-10.3	--	--	--
Manufacturing Shipments	1.1	7.0	-23.2	-24.3	-27.4	-27.0	-32.9	-25.7	--
Wholesale Trade NEW!	5.0	10.9	-11.9	-12.2	-20.9	-11.6	-16.8	-22.1	--
Building Permits	13.4	-16.5	-34.8	-40.9	-18.5	-25.2	-29.8	-8.3	--
Residential	10.7	-31.5	-35.9	-44.2	-49.1	-17.8	-9.5	39.3	--
Non-residential	17.1	3.7	-33.8	-37.3	13.0	-31.0	-46.1	-48.5	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).2009 YTD population numbers are for the census year of 2009

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Summer 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.5%***	-0.1%	0.9%	2.0%	0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009	***-2.1%***	-3.4%	0.8%	0.3%	0.9%	-0.7%	-3.0%	0.8%	-2.7%	**-2.7%**	-2.5%
2010	***2.8%***	0.0%	2.2%	1.2%	2.8%	1.8%	3.1%	1.8%	3.5%	**3.3%**	3.4%
Population (As of July 1, 2009)											
Population	**33,739,859**	508,925	140,985	938,183	749,468	7,828,879	13,069,182	1,221,964	1,030,129	**3,687,662**	4,455,207
Annual Growth Rate[a]	***1.2%***	0.5%	1.1%	0.2%	0.3%	1.0%	1.0%	1.3%	1.6%	**2.6%**	1.6%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		-528	-291	-1,794	-908	-11,682	-14,750	-3,703	4,171	**15,317**	14,643
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
Employment											
Level Change (000s)[b]	**-328.9**	0.2	-0.7	-4.8	1.4	-54.9	-59.4	2.0	-0.7	**-39.1**	-43.4
Percent Change[b]	***-1.9%***	0.1%	-1.0%	-1.0%	0.4%	-1.5%	-2.7%	0.3%	-0.1%	**-1.9%**	-1.9%
Unemployment Rate, 2009 avg (SA)	***8.2***	15.3	12.4	9.1	9.0	8.5	9.0	5.0	4.7	**6.3**	7.4
Participation Rate, 2009 avg (SA)	***67.3***	59.2	67.8	64.6	64.7	65.4	67.4	69.4	70.2	**74.5**	65.9
Average Weekly Earnings											
July 2009	**824.00**	805.49	699.36	733.51	754.12	775.11	845.17	780.26	803.90	**942.62**	799.36
Y/Y Percent Increase[c]	***1.6%***	6.0%	4.2%	1.8%	2.0%	0.7%	1.1%	4.3%	2.4%	**4.0%**	1.9%
2009 Wage Settlements (Jan-Aug)										**2.0%**	
CPI Inflation											
September Annual	**-0.9%**	-0.9%	-1.4%	-0.8%	-0.4%	-0.3%	-1.1%	-0.3%	0.2%	**-1.1%**	-1.2%
Excluding Shelter	**-0.5%**	-0.1%	0.3%	-0.1%	-0.3%	-0.4%	-0.9%	-0.6%	-0.9%	**-0.2%**	-0.3%
Housing Starts (000s)											
SAAR September 2009	**150.1**	2.6	0.7	5.0	3.1	41.0	50.5	4.2	4.4	**22.4**	16.2
Retail Sales											
Percent Change[d]	**-4.9%**	-1.7%	-4.1%	-1.9%	-2.0%	-2.3%	-4.5%	-1.8%	-3.5%	**-10.3%**	-7.6%
2009 YTD Retail Sales Growth NEW!	**-5.3%**	1.2%	-2.1%	-2.1%	-2.2%	-2.8%	-4.9%	-2.8%	-3.4%	**-10.1%**	-8.7%
Manufacturing Shipments											
Percent Change[d]	**-19.1%**	-24.2%	-8.0%	-20.7%	-8.1%	-16.6%	-19.1%	-17.2%	-23.6%	**-25.7%**	-18.7%

a. Over the past 12 months
b. September 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to July 2009
d. August 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada